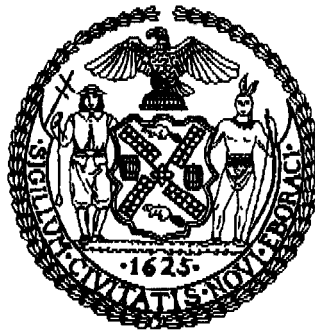


City of New York

Rudolph W. Giuliani
Mayor



Estimated Costs of September 11, 2001 World Trade Center Terrorist Attack

Compiled by New York City
Office of Management and Budget
Updated October 9, 2001

Summary
New York City
Preliminary Estimate of Costs by Component
(\$ in millions)

City Budget Costs

Personal Services

Uniform and Civilian Employee Costs

New York City Police Department	\$ 1,680
New York City Fire Department	79
Department of Sanitation	183
Department of Correction	24
Department of Transportation	56
Department of Environmental Protection	7
Department of Citywide Administrative Services	8
Department of Information Technology and Telecommunications	-
Board of Elections	2
Mayoralty	2
Office of Emergency Management	5
Anti-terrorist Preparedness Funding	734
Health and Social Services	12
Other	8

Subtotal Personal Services

\$ 2,800

Other Than Personal Services

Emergency Construction Contracts

\$ 5,000

Demolition, Debris Removal, Stabilization and Remediation of WTC Site

Uniform and Civilian Agencies' Costs

New York City Police Department	242
New York City Fire Department	316
Department of Sanitation	237
Department of Correction	4
Department of Transportation	62
Department of Environmental Protection	2
Department of Citywide Administrative Services	59
Department of Information Technology and Telecommunications	80
Board of Elections	14
Mayoralty	13
Office of Emergency Management	160
Anti-terrorist Preparedness Funding	626
Health and Social Services	309
Other	31

\$ 2,155

Roads and Other Infrastructure Costs

\$ 250

Water mains, sewers, and road reconstruction in two zones:

- 1) West St. to Broadway(West/East), Chambers St. to Rector St.(North/South)
- 2) Broadway to William St.(West/East), Fulton St. to Wall St.(North/South)

Board of Education

\$ 136

Aid to directly affected schools, recovery of lost instructional time

CUNY (Replacement of lost facilities)

\$ 47

Burial Costs

\$ 50

Subtotal Other Than Personal Services

\$ 7,638

Other

Budget Stabilization Assistance to Cover Near-Term Revenue Losses

\$ 3,245

Economic Stabilization and Recovery Program

\$ 975

Immediate Initiatives; Rebuilding and Reconstruction Initiatives

Subtotal Other

\$ 4,220

Total

\$ 14,658

***Selected Agencies'
Back-up Material***

New York City Police Department

Estimated Costs

(\$ in millions)

Category

Item

Estimate Subtotal

Personal Services

Uniform Costs

Approximately 30,000 uniformed personnel on 12 Hour Shifts for first 2 days. \$ 1,623 \$ 1,623
Reduction in uniformed resources to 7,500 after first 2 days earning daily
overtime rate of \$4.5 million. Mandatory overtime through August 2002.

Civilian Costs

Deployment of approximately 9,300 civilian personnel on 4 hours of
mandatory overtime through the month of September. Thereafter, 2,300
civilian personnel on mandatory overtime through August 2002.

PS Subtotal:

\$ 1,680

Equipment

Biological / Chemical Supplies (Biohazard bags, chemical detection strips)	\$	10	
Engines, Generators, Respirators, Air Equipment, Compressors		5	
Flack Jackets, Department helmets		7	
Other Miscellaneous (SAR equipment,Hydraulic tools,Welding equipment, etc	21		<u>\$ 43</u>

Vehicles

Replacement of Radio Motor Patrol Vehicles	\$	33	
Replacement of large vehicles (Cranes,HazMat,Tractors)		15	
Prisoner Transport vehicles, THV's, Suburbans, etc.		17	
Repairs, Parts replacement, Other	23		<u>\$ 88</u>

Communications

Mobile Equipment (Communication sytem, 2 way radios, Cellulares, etc.)	\$	3	
IT Equipment (Labtops, Computers, Printers, Scanners)		27	
Property Tracking System, Wireless ANI/ALI		9	
AVL / GPS System (includes base station and hardware)		11	
Other (replacement parts, PA system, portables, T-1 Lines, etc.)	21		<u>\$ 71</u>

Miscellaneous / Other

Supplies (Masks, Medical supplies, Cots, Gloves, etc)	\$	13	
Suits (Tyvek, Hazmat, coveralls, uniform clothing, Viking dry suits, etc.)		10	
Vests (Safety, reflective, tactical, etc)		2	
Other (Flares, traffic cones, Light Towers, Fuel, etc.)	15		<u>\$ 40</u>

OTPS Subtotal

\$ 242

Totals

\$ 1,922

Fire Department

Estimated Costs

(\$ in millions)

<u>Category</u>	<u>Item</u>	<u>Estimate</u>	<u>Subtotal</u>
<u>Personal Services</u>			
	The Department is operating on a modified schedule equivalent to 2,000 uniformed personnel posts in September 2001, and 400 posts from October through December 2001. The Department operated on 24-hour shifts for the first two weeks of the attack, and currently is on 10-hour shifts.	\$ 79	\$ 79
	PS Total		\$ 79
<u>Emergency Protective Measures</u>			
	5 Communication Offices	\$ 45	
	Automatic Vehicle Locator System	25	
	Emergency Response Systems	33	
	Computer Aided Dispatch (CAD)	35	
	Wide Area Network	40	
	CAD Back-up	15	
	Inventory Tracking System	1	
	Emergency Response Vehicles (10 Units)	2	
	Command/Communications Trailers (5 Units)	3	\$ 199
<u>Vehicles</u>			
	Fire Apparatus/Ambulances (70 Apparatus, 9 Ambulances)	46	
	Support Services - Large Vehicles (170 Units)	15	
	Support Services - Small Vehicles (33 Sedans, Vans)	1	\$62
<u>Communications</u>			
	Radio Antennae	1	
	Telecommunications	6	\$7
<u>Miscellaneous / Other</u>			
	Facility Rehabilitation	2	
	Death Benefits *	40	
	Miscellaneous Supplies	6	\$48
	* Including death benefits chargeable to the Miscellaneous Budget.		
	OTPS Total		\$ 316
	GRAND TOTAL:		\$ 395

Department of Sanitation

Estimated Costs

		(\$ in millions)	
<u>Category</u>	<u>Item</u>	<u>Estimate</u>	<u>Subtotal</u>
<u>Personal Services</u>			
	<u>Uniform Costs¹</u>	\$ 144	<u>\$ 144</u>
	The workload for the first 10 days of the attack was 500 uniform personnel posts per day. Currently, the Department is operating with over 300 overtime posts including coverage for the Fresh Kills landfill, the World Trade Center, and barge loading and unloading facilities.		
	<u>Civilian Costs</u>	39	<u>\$ 39</u>
	Over 150 civilians are on overtime. Costs are primarily from support operations, including auto mechanics, crane engineers, tractor operators, and administrative		
	PS Total		<u>\$ 183</u>
<u>Emergency Protective Measures</u>			
	Automatic Vehicle Locator System (3,500 vehicles)	\$ 35	
	Back-up Voice Communication System	3	
	X-Ray and Metal Detectors at 80 Facilities	2	
	Consultant Contracts for Emergency Work	2	<u>\$ 42</u>
<u>Equipment</u>			
	Barges (84 at \$1 million each)	84	<u>\$ 84</u>
<u>Vehicles</u>			
	Dump Trucks (94 at \$120,000 each)	11	
	Front End loaders (90 at \$120,000 each)	11	
	Payhaulers	8	
	Fuel Trucks, Backhoes, Flatbeds, Car Carriers, etc	3	
	Salt Spreaders (25 at \$160,000 each)	4	
	Superloaders	3	
	Cranes - Large and Small	12	
	Light Duty Vehicles	3	
	Flushers (8 at \$200,000 each)	2	
	Bulldozers (3 at \$500,000 each)	2	<u>\$59</u>
<u>Communications</u>			
	Wireless Capabilities for LAN System	5	<u>\$5</u>
<u>Miscellaneous / Other</u>			
	Barge Contract	18	
	Landfill Cover Contract	14	
	Equipment and Supplies (shovels, masks, rain gear, etc)	15	<u>\$47</u>
	OTPS Total		<u>\$ 237</u>
	GRAND TOTAL:		<u>\$ 420</u>

Department of Correction

Estimated Costs

		(\$ in millions)	
<u>Category</u>	<u>Item</u>	<u>Estimate</u>	<u>Subtotal</u>
<u>Personal Services</u>			
	<u>Uniform Overtime</u>		
	Deployment of approximately 730 full time equivalents in September with a gradual scale back to 123 by February 2002. Mandatory overtime through August 2003.	\$ 22	\$ 22
	<u>Civilian Overtime</u>		
	Deployment of approximately 165 civilian personnel in September with a gradual scale back to 40 by January 2002. No additional overtime costs associated with World Trade Center incident are assumed beyond January.	2	2
	Personal Services Subtotal		<u>\$ 24</u>
<u>Other Than Personal Services</u>			
	Miscellaneous Supplies and Equipment		<u>\$ 4</u>
	Totals		<u><u>\$ 28</u></u>

Department of Transportation

Estimated Costs

(\$ in millions)

Category

Item

Estimate Subtotal

Personal Services

Civilian Personal Services - Debris Hauling

\$38

168 highway repairers, 87 equipment operators and other personnel are transporting debris from Ground Zero to the Fresh Kills landfill. In addition, they are transporting milled road material to the landfill and Ground Zero, paving roads and transporting equipment to various emergency sites.

Civilian Personal Services - Debris Removal

\$7

44 ironworkers, in addition to numerous riveters, carpenters, engineers and other personnel in DOT's Bridges Division are assisting with the removal of debris from Ground Zero.

Civilian Personal Services - Emergency Response

\$11

16 Captains and nearly 80 other Ferry Operations personnel are providing emergency ferry service from Lower Manhattan to Brooklyn and to Governor's Island (for the National Guard). In addition, DOT personnel have been deployed to control traffic.

PS Subtotal:

\$56

Equipment / Vehicles

Heavy equipment for debris removal / transport

\$8

Fuel for debris removal / transport

\$3

Replacement of equipment & vehicles destroyed in the disaster

\$1

Traffic control equipment

\$2

\$14

Miscellaneous / Other

Purchases for fuel and emergency transit services

\$3

Contract costs for emergency bus deployment

\$3

Contract costs for revenue loss to franchise bus operators

\$14

Capital contract schedule recovery

\$28

\$48

OTPS Subtotal

\$62

Totals

\$118

Department of Environmental Protection

Estimated Costs

(\$ in millions)			
<u>Category</u>	<u>Item</u>	<u>Estimate</u>	<u>Subtotal</u>
<u>Personal Services</u>			
	Protection of NYC's Water Supply System through increased Police Surveillance.	\$3.8	
	Hazardous Materials response efforts at WTC Site.	2.1	
	Mechanic Crew usage for towing, transport and OEM Support.	0.1	
	Valve and watermain / sewer controls maintenance.	0.7	
	Other (Miscellaneous staff used for the inspection, repair and debris removal of: regulators, interceptors, and sewers. Maintain area maps and capital planning.	0.4	
	PS Subtotal:		<u>\$ 7.1</u>
<u>Equipment</u>			
	Replacement batteries for sewer regulators, purchase of metal detectors and miscellaneous supplies and vehicle equipment.	\$0.3	
	Security Supplies for use in NYC Watershed - barriers, security bars, ammunition.	0.1	
			<u>\$ 0.4</u>
<u>Vehicles</u>			
	Replacement of 6 vehicles at WTC and purchase of 4 all-terrain vehicles for watershed patrol.	\$0.2	
	Extension of Helicopter Surveillance Contract	0.1	
			<u>\$ 0.3</u>
<u>Miscellaneous / Other</u>			
	Additional sewage residuals service associated with increased sludge product and diversion of sludge boat	\$0.1	
	Emergency Lab Contract for increased water supply sampling tests	0.2	
	Laboratory testing and Asbestos remediation at WTC Site	0.6	
	Increased security for remainder of year at DEP Headquarters in Queens	0.4	
			<u>\$ 1.3</u>
	OTPS Subtotal		<u>\$ 2.0</u>
	Totals		<u>\$ 9.1</u>

Department of Citywide Administrative Services

Estimated Costs

(\$ in millions)

The Department of Citywide Administrative Services (DCAS) has provided extensive supply support and distribution services in relation to the World Trade Center terrorist attack. These services will continue throughout the rescue, recovery, and clean up efforts. These services include the procurement and distribution of a wide variety of goods, including respirators, protective clothing, water, generators, and fuel.

DCAS also provides facilities management services for various city-owned buildings. DCAS is required to bring a large number of City occupied buildings in the downtown area back to an occupiable condition, requiring ventilation system repair, hazardous material testing, and structural analysis. In addition, DCAS's Division of Real Estate Services has been coordinating office relocation efforts for displaced city agencies.

Personal Services Expenses - Overtime Costs	\$	8
Other than Personal Services Expenses		44
Citywide Building Security, Inventory Management & Control System		15
Total	\$	67

Department of Information Technology and Telecommunications

Estimated Costs

(\$ in millions)

The Department of Information, Technology and Telecommunications (DoITT) provides centralized data center, telecommunication, and wireless communication services to City agencies. DOITT also operates and maintains one of the largest data centers in the nation. The data center provides backup mainframe services to City agencies that perform many critical City functions, including the New York Police Department and other public safety offices, the Department of Environmental Protection, the Human Resource Administration, and the Department of Finance. Since the terrorist attack on the World Trade Center, DOITT has provided resources to City agencies to restore communication services and regain connectivity to the data center and Citywide networks. DoITT will also continue to provide GIS map support, consultant and wireless communication services to City agencies and the Family Assistance and Command Centers during the coordination and response effort.

Information Systems Replacements and Repair	\$	5
Consultant Services		9
Telecommunications		
Radio Network Buildout and Equipment*		21
Voice and Data Communication Infrastructure*		5
Geographic Information System**		40
Total	\$	80

*Excludes \$15M of DoITT command center costs reflected in OEM estimates (\$1M Consultants, \$7M Radios, \$5M Voice and Data and \$2M GIS).

**Includes costs to DoITT (\$7M), DEP (\$22M) other agencies (\$11M).

Board of Elections

Estimated Costs

(\$ in millions)

The New York City September 11th primary election was aborted shortly after the terrorist attack on the World Trade Center. The Board of Elections expended significant resources to host this election event. This year's primary election was an unprecedented election due to the large number of contested races for Mayor, Public Advocate, Comptroller, Borough President, and various City Council seats. The Board of Elections must be supported to ensure that the City's democratic process and government stability remain intact.

A second primary was held on September 25th. As a result of the compressed time frame between the primary, runoff and general election, the Board of Elections was required to mobilize its operations to prepare voting machines, poll sites, and printed materials on an expedited basis. The Board's efforts to recover its operations and host an additional primary without obstructing the democratic process resulted in additional costs. In addition, the computer system located in the Board's downtown office was damaged and requires replacement.

Personal Services Expenses (Overtime and Temps)	\$	2
Other than Personal Services Expenses		
Pollsites (Sites, Staff, Furniture)		7
Other (Machine Repairs, Trucking, Printing)		4
Computer System Replacement and Repairs		3
Total	\$	16

Office of the Mayor

Estimated Costs

(\$ in millions)

The Mayoralty is comprised of the Office of the Mayor, the Office of Management and Budget, and the Office of Labor Relations. The Mayoralty has incurred significant costs in relocating, recovering and repairing damaged property, assisting in the outfitting and management of the Command and Family Assistance Centers, and in coordinating, assessing and monitoring the City's operational and fiscal responses to the attack on the World Trade Center.

Overtime	\$	2
Relocation Costs		8
Computer System Replacement and Repairs		5
Total*	\$	15

*Excludes \$4M of Mayor's Office costs reflected in OEM Command Center estimates.

Administrative Agencies and Elected Officials

Estimated Costs

(\$ in millions)

Administrative agencies, including the Finance and Law Departments, the Office of the Sheriff, Financial Information Services Agency (FISA) and the Office of Payroll Administration, support governmental operations citywide. Currently, several agencies are temporarily or permanently displaced. These agencies have incurred expenses associated with their relocation and the replacement and repair of IT systems, furniture and equipment. Additionally, Elected Officials have incurred expenses to relocate and to provide various community support services.

Overtime	\$	1
Furniture and Equipment		9
Vehicles		1
Telecommunications		1
Other		8
Total	\$	20

Office of Emergency Management

Estimated Costs

(\$ in millions)

The Office of Emergency Management provides the City with emergency preparedness and centralized coordination services in order to respond to emergency situations. Costs to support OEM during the current response effort include the relocation and build out of a temporary command center and backup site, citywide staffing of desks at the center, various general other-than personal services costs, and vehicle replacements.

OEM's command center was located in 7 World Trade Center and was destroyed. The City has relocated the command center at a temporary site that is providing centralized coordination, support, and communication functions for government, private, and non-for-profit entities. The temporary command center supports 70 posts and over 200 people working twenty-four hours a day, seven days a week since the terrorist attack on the World Trade Center. A long-term replacement site will also be necessary.

	<u>Estimate</u>	<u>Subtotal</u>
<u>Personal Services</u>		
Command Center Staff Costs*	5	
(Overtime and gross costs for citywide civilian staff at the center includes 2 staff x 40 desks x 24/7/90 days x average salary of \$40K)		
		<u>\$ 5</u>
<u>Communications</u>		
Citywide Emergency Radio Network Infrastructure*	60	
		<u>\$ 60</u>
<u>Other than Personal Services</u>		
Current Command Center**		
Construction and Outfitting	4	
Communications and Information Technology	17	
Consultants	4	
Back-up Command Center		
Construction and Outfitting	6	
Communications and Information Technology	12	
Other	8	
OEM Command Center Replacement	49	
(Construction cost for 56,000 sq. ft. x \$683 per ft., \$11 million for IT system replacements, telecommunications, initial outfitting, etc.)		
Subtotal OTPS		<u>\$ 160</u>
Total:		<u>\$ 165</u>

*includes costs to other agencies

** Support Operations at Pier 92 & 94 also reflected in DoITT (\$15M), Office of the Mayor (\$4M), and EDC (\$2M)

***Health and Social Services
Estimated Costs***

**HEALTH AND SOCIAL SERVICES
SUMMARY OF EXPENSES**

Mental Health Services and Counseling	\$91
Employment Services	54
Social Services and Support	92
Command and Family Center	3
DNA Testing & Medical Examiner's Services	53
Health and Hospitals Corporation	28
Total	\$321

Department of Mental Health

\$ in Millions

The aftermath of the World Trade Center terrorist attack has caused significant psychological trauma to individuals throughout New York City. Anecdotal evidence from the voluntary not for profit providers has revealed that while the attack will undoubtedly have significant impact on those directly affected, it has also disrupted treatment regimens for many in the City who were already undergoing mental health treatment.

Based upon a needs assessment formula devised by the Center for Mental Health Services, a division of the Federal Substance Abuse and Mental Health Services Agency (SAMHSA), the number of New York City residents affected by the World Trade Center tragedy is estimated at over 1.5 million. The following is a conservative estimate of the projected costs. Actual expenses may be significantly higher.

Crisis Counseling	People	Rate	Sessions	Total Cost
Missing or Dead	8,784	\$99.40	6	\$5.2
Hospitalized	734	\$99.40	6	\$0.4
Non-Hospitalized Injured	1,376	\$99.40	3	\$0.4
Homes with Major Damage	3,150	\$99.40	3	\$0.9
5% of Disaster Displaced Employed and Unemployed	15,393	\$99.40	3	\$4.6
WTC Emergency Workers	3,000	\$99.40	3	\$0.9
WTC Evacuees	4,578	\$99.40	3	\$1.4
Schoolchildren and Teachers in Disaster Proximity	23,976	\$99.40	3	\$7.1
WTC Workers Absent at Time of Attack	40,000	\$99.40	1.5	\$6.0
95% of Disaster Displaced Employed and Unemployed	292,457	\$99.40	1.5	\$43.6
Pre-School and School-Aged Children (Group Sessions @50/group each)	772,800	\$174.12	15,456	\$2.7
Global Outreach (Group Sessions @50/group each)	339,479	\$174.12	6,790	\$1.2
Subtotal Crisis Counseling				\$74.5
Fire Department Caregivers				
Fire Department personnel affected by the WTC Attack	4,500			
Number of counselors needed at ratio of 1:25	180			
Cost per counselor, including fringe benefits	\$51,200			
Total counseling costs	\$9.2			
OTPS and Overhead	\$2.7			
Subtotal Fire Department Caregivers				\$11.9
Administrative Costs				\$5.0
Total				\$91.4

Employment Services

\$ in Millions

The World Trade Center was the economic hub of downtown New York City. While it provided the base for a significant number of white collar companies, it also supported a vast number of ancillary businesses, ranging from messenger services, cleaning companies and food vendors to temporary staffing agencies and retail establishments. Economic and social displacement as a result of the terrorist attack will extend throughout the City.

The City will expend significant effort to help businesses in maintaining their operations and, as part of that effort, must provide incentives and assistance, including appropriately trained workers. It is likely that some businesses will relocate or close -- their workers will need to be linked to new employers and retrained to meet the new labor market needs. What follows below is a conservative estimate of the number who may be impacted. Expenditures may well exceed these preliminary estimates.

About 20% of the 30,000 people employed at the World Trade Center worked in low-wage jobs such as security, housekeeping, maintenance services and retail sales in the Trade Center mall concourse, which provided little or no job security and few benefits or transferable skills. Unemployment insurance will not cover support needs for these individuals and their families. An additional 12,000 people facing similar displacement are estimated to have worked in the immediate surrounding area. Subsidized employment, training and support services will be needed to re-integrate these individuals into the labor market as expeditiously as possible.

Trade Center Employees	30,000
low wage/hourly employees	20%
employees impacted	6,000
employees in ancillary businesses	12,000
total employees	18,000
cost per person for subsidies, training and support services	\$3,000
Total	\$ 54

Social Services

Estimated Costs

(\$ in millions)

Community based family crisis service providers have reported an upsurge in families seeking immediate crisis counseling as a result of the terrorist attack. Family members, particularly children, witnessed the attack personally or through TV and are reporting various psychological trauma symptoms. In Oklahoma City, approximately 9,000 people sought counseling over a period of five years. Extrapolating to New York City would mean that an estimated 72,000 people will require counseling. In the first year, approximately 29,000 people, or 9,600 families, will seek counseling through the community-based provider network.

Individuals needing counseling in year one	28,800
Families needing counseling	9,600
Cost per slot for 3 months of counseling services	\$1,625
Total cost for counseling	\$16

While an array of immediate benefits including FEMA grants, crime victims assistance, survivor's benefits and insurance is available to most, if not all, of the terrorist's victims and their families, the New York City social services infrastructure anticipates sharply increased service demands. The City has set up a Family Assistance Center in lower Manhattan that serves workers displaced by the disaster, families who lost their homes and those whose possessions were lost or damaged. The Center coordinates services provided by FEMA, the Red Cross, the SBA, the Salvation Army, the City Human Resources Administration (HRA), the State Department of Labor and other private and government agencies. HRA has outfitted the center with furniture and computers in order to expedite processing of services and benefits. Emergency assistance for victims that is not covered by any other source is also provided by the City through HRA. It is anticipated that the City will expend over \$25 million over the coming several months for repairs, replacement, food and transportation costs, rent, utilities, moving expenses and emergency day care.

Number of checks per week	1,788
Average cost per check	\$411
Average cost per week	\$2
Total Cost of benefits	\$26
Total cost of computer equipment/supplies	\$1

In addition to immediate emergency help, families who lost the primary breadwinners will need day care services; families who must now depend on a single wage earner may need food stamps, housing assistance or other supports; relatives or foster parents caring for children of victims will become eligible for child welfare services; economic dislocation caused by the attack will result in additional burdens on the human services programs, including housing, homeless services, income support and local community based programs, such as after-school care and food banks. Most programs have limited grant funding so New York City's ability to provide these services will require additional support. The estimates below are preliminary and will be revised as the needs become clearer.

Day care slots	2,500
Cost per slot	\$7,500
Total new day care cost	\$19
After-school slots needed	10,000
Cost per slot@\$75/month	\$9
10% of dislocated workers require housing assistance	1,800
Mortgage and rental assistance @\$1,000/month for one year	\$22
Total	\$ 92

Command Center - Temporary Operations

\$ in Millions

The Office of Emergency Management Command Center located in 7 World Trade Center was destroyed in the terrorist attack. The Human Resources Administration's (HRA) Information Technologies department and other City agencies mobilized an emergency preparedness response plan to set up an emergency command center. The center includes a fully operational computer and telecommunications system allowing all City, State and Federal agencies to coordinate the continuing response to the attack.

Computers & Network Cable	\$	1
Office Equipment & Other		1
Total	\$	<u>2</u>

Family Disaster Center

The City established the Family Disaster Center as a one-stop center to coordinate services provided to victims and their families. Agencies located at the center include; FEMA, the Red Cross, the Medical Examiner, the Social Security Administration, FBI, OEM, Crime Victims Board, Small Business Administration, and City agencies, including the Human Resources Administration. In addition to providing direct assistance the center is staffed by counselors and religious organizations to provide grief counseling and mental health services. The center is fully functioning office with state-of-the-art networked computers, separate counseling rooms, a child care center and waiting areas. Multiple agencies can access a central repository of information that minimizes survivors' paperwork while increasing the efficiency and coordination of relief organizations' efforts.

Computers & Network Cable	\$	1
Total	\$	<u>1</u>

Office of the Chief Medical Examiner (OCME)

\$ in Millions

It is now estimated that close to 6,000 individuals are missing and presumed dead as a result of the terrorist attack on the World Trade Center. With few exceptions, identification of victims will only be possible through DNA analysis. Because the remains of the deceased in the World Trade Center tragedy are not intact and are scattered throughout a wide area, it is estimated that one million DNA samples will have to be collected and tested in order to identify all missing individuals. In addition, the OCME has also incurred significant staffing and supply costs in the aftermath of the attack.

DNA Testing (reagents/kits for 1 million samples at \$30/sample)	\$	30
Major Moveable and Information Technology Equipment		8
Disposable Medical Supplies and Equipment		5
Trailer and 25 Tents		5
PS and related OTPS costs for overtime and projected hiring of 43 additional staff		3
Office Supplies and Equipment		2
Total	\$	53

Health and Hospitals Corporation

\$ in Millions

Increased Emergency Expenses

Immediately following the World Trade Center disaster, HHC hospitals in all five boroughs geared up to receive thousands of injured patients. Preparations that led to increased hospital costs at HHC included:

- the authorization of additional overtime for doctors, nurses, and support staff;
- the hiring of contract nurses and other temporary workers;
- the establishment of command centers at each hospital; and
- additional purchases of critical supplies such as surgical equipment, pharmaceuticals, and food.

Revenue Losses

In addition, HHC hospitals had to undertake several emergency measures to prepare for the expected influx of injured patients, all of which contributed to significant revenue losses. These losses include:

- the temporary closure of all ambulatory care sites such as hospital outpatient facilities, clinics, and diagnostic and treatment centers;
- the suspension of all elective surgeries requiring inpatient stays;
- the early discharge of clients receiving inpatient care in order to free up beds for the individuals who were injured at the World Trade Center; and
- the use of medical staff to perform non-reimbursable services such as grief counseling and administration.

Projected Future Costs

As part of a nationwide effort to combat the threat of bioterrorism, HHC hospitals may be required to enhance their readiness for a potential bioterrorist attack in New York City. In addition, HHC is planning to tighten security at all of its hospitals, diagnostic and treatment centers, clinics, and nursing homes.

Cost Projections:

Increased Emergency Expenses	\$	10
Revenue Losses		8
Projected Future Costs		10
Total	\$	28

***Education Aid
Estimated Costs***

Education Stabilization Program

The Board of Education requests \$136 million to cover estimated expenditures and revenue losses as well as programs to recover lost instructional time.

- **Aid to Directly Affected Schools (\$4.8 million):** To replace items damaged and accommodate 5,800 relocated students
- **Systemwide Classroom Instruction (\$108.2 million):** 3 hour afterschool program to compensate for period of diminished instructional time citywide.
- **Building Restoration (\$3.3 million):** Restoration of school facilities damaged or used as sites for rescue and recovery.
- **Support Services (\$13.4 million):** To cover increased transportation for relocated students, repair of damaged computer systems in affected schools, meals provided to emergency workers and mailings and publications.
- **Revenue Losses (\$6.1 million):** To replace food revenue/aid lost due to low attendance.

***Budget Stabilization
Assistance***

May 10 2002 11:40 7:27

**Effect of the Events of September 11, 2001 on the New York City Economy:
A Preliminary Analysis of the Revenue Loss**

The economic outlook underpinning the City's fiscal year 2002 budget called for a slowdown nationally. Locally, as a result of the weakening US economy, job gains were forecast to slow from nearly 100,000 in 2000 to 32,000 in 2001 and 7,400 in 2002. Prior to the attack on the World Trade Center the City's economy was showing some effects from the national slowdown. Through August minor losses, consistent with this forecast, were seen in several economic sectors--FIRE (Finance, Insurance, Real Estate), business services, trade and manufacturing—and the unemployment rate had jumped up in August to 5.8 percent from 5.0 percent in July.

The events of September 11 have markedly altered our view of a modest national and local slowdown for the attack will likely have significant short and long-term impacts for New York City's economy. The attacks destroyed or damaged nearly 30 million square feet of commercial space, nearly 9 percent of the City's office supply and effectively shut down Lower Manhattan, the location of an estimated 370,000 of the City's jobs, for 4 days. Over 15.7 million square feet of World Trade Center commercial space was destroyed and there are at least 13.9 million square feet of space significantly impaired, including hotels in the surrounding area and the World Financial Center in Battery Park City. The Stock Exchange may have re-opened on the Monday following the attack, but even today the rest of Lower Manhattan has not completely re-opened and vehicular access to Lower Manhattan is still significantly curtailed.

The immediate effect has been a dramatic falloff in September tax collections. Taxpayers impacted by the disaster were given a 90-day extension for filing, but even considering the extension the shortfalls are astounding. The personal income tax fell 24 percent from last year's level, the general corporation tax fell 40 percent, the bank tax fell 60 percent and the unincorporated business tax fell 26 percent. In all, tax collections for the month of September are behind plan by an estimated \$241 million.

Jobs Lost and Relocated

Although we expect a portion of the tax shortfall to be made up by the end of the 90-day extension period, it is clear that a large portion of the shortfall will never be made up. The destroyed or damaged office space in the World Trade Center and World Financial Center was home to an estimated 2,000 businesses and almost 50,000 employees. An estimated 5,000 of these employees have died, and about 20,000 jobs are estimated to have moved outside the City, although some portion of these jobs may move back when the damaged buildings are renovated. The loss of these highly paid jobs is expected to immediately reduce the City's wage income by \$2.5 billion annually. In addition, businesses in the City and especially in the rest of Lower Manhattan, will be hard pressed to make up the sales lost during the days when they were closed. The loss to New York City's economy from the impact of the closures is estimated to be \$10 billion in output or Gross City Product.

Tourism, Travel and Retail Trade

Of course, major impacts have been felt by the travel and tourism industries. With airline travel seriously impacted in the aftermath of the attack, the City's hotels are empty, with occupancy falling below 50 percent. The number of visitors to New York City has fallen dramatically and visitor non-hotel spending has fallen by \$3.3 billion on an annual basis. Over 23,000 jobs will likely be lost in the air transportation, hotel and eating and drinking sectors.

Indirect Job Losses – Multiplier Effects

Finally, the repercussions of these estimated 40,000 job losses directly attributable to the tragic events are expected to reverberate throughout the City's economy, lowering employment by an additional 40,000 jobs. The attack, combined with the effects of an already slowing national economy, is estimated to result in a total loss of over 110,000 jobs in the City. Many of these losses will effect retail trade and service employment, especially in Lower Manhattan where shops and restaurants will have to reduce staff and may even close in the coming months due to the loss of so many of their World Trade Center customers.

Of course, there can be expected to be some minor offset from the debris removal and reconstruction efforts, but the major reconstruction efforts will have to wait for the site to be cleared, which may be at least a year away.

Securities Industry Profits, Bonuses and Capital Gains Realizations

As is often noted the securities industry is a major part of the City's economic base. With only 5 percent of employment, the industry accounts for almost 19 percent of the City's earnings. It is now clear that the World Trade Center attacks will significantly effect this key sector. Although the stock market was well off its earlier peak set back in March 2000 even before the events of September 11, the impact of the attack on the market and on the securities industry has been severe. The Dow has fallen nearly 6 percent since September 10 and with the attacks so heavily effecting Wall Street, New York Stock Exchange Member firms are expected to show losses for the third quarter and only modest improvement in the fourth quarter. For the year profits may fall to \$5 billion, down from \$21 billion in calendar year 2000. As a result FIRE sector bonuses are expected to drop by over two-thirds. The declines in the market will also have a major effect on capital gains realizations, and realizations could fall by 45 percent.

Real Estate Market

Finally, it should be noted that uncertain economic times could have a chilling effect on the City's real estate market. The City last year took in over \$875 million in taxes on real estate transfers and mortgage recordings. If declines in activities mirror what was seen in fiscal year 1990 when Iraq invaded Kuwait, activity could fall by 30 percent. In addition, real property taxes and payments-in-lieu-of-tax (Battery Park City Authority and Port Authority properties are liable for PILOTs) will be effected by the attacks. The attacks destroyed and damaged properties which were expected to contribute almost \$200 million in property taxes or PILOTs annually.

	Revenue Impact (FY) (\$'s millions)	
	2002	2003
Personal Income Tax Losses Due to Declines in Jobs, Bonuses & Capital Gains	(\$580)	(\$439) - (\$613)
Business Income Tax Losses Due to Securities Industry Profit Declines	(\$247)	(\$15) - (\$247)
Sales and Hotel Tax Losses Due to Tourism, Travel and Trade Declines	(\$358)	(\$145) - (\$358)
Real Property Tax/PILOT/ Commercial Rent Tax Losses Due to Physical Damage	(\$85)	(\$123) - (\$155)
Real Estate Transfer Tax Losses	(\$264)	(\$176) - (\$264)
Audit Losses	(\$51)	(\$23)
Total	(\$1,585)	(\$921) - (\$1,660)

A Note about the Methodology

New York City OMB has developed a 70-equation econometric model of the New York City economy that is linked directly to the history and outlook for the nation to develop local forecasts. Key indicators forecast are non-agricultural employment by sector, wage rates, CPI, personal income, gross city product and office space vacancy rates and asking rental rates.

These indicators are then used as input to the various tax models which also rely on econometric techniques. The personal income tax forecast also relies on a micro-simulation model based on samples of tax returns. As a result of the attack we currently do not have access to our offices and all of our traditional estimating tools. Therefore the results discussed here should be considered preliminary.

*Economic Stabilization and
Recovery Program*

May 10 2000 11:40 1700

State and City of New York Economic Stabilization and Recovery Program

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EXECUTIVE SUMMARY

City of New York

The City and State are requesting \$975 million in federal funds to support immediate business stabilization and recovery efforts. We are also requesting legislative authority to issue federally guaranteed, tax-exempt bonds to finance the reconstruction and repair of lost commercial space and other property in the City.

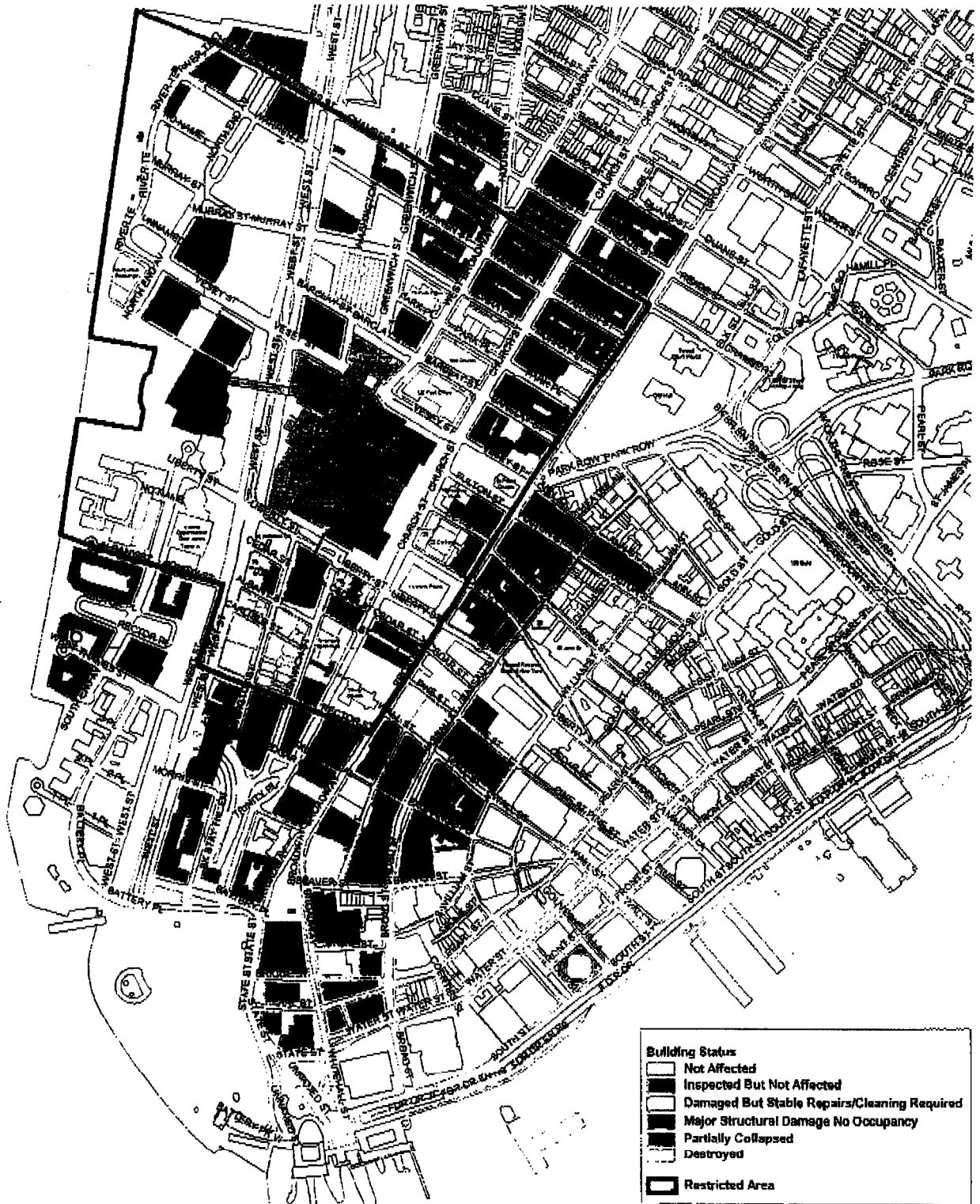
The economic dimensions of the attack are staggering and the repercussions yet to be understood. Approximately 15.7 million square feet of commercial space has been destroyed, another 7.5 million square feet is severely damaged and has been rendered uninhabitable, and 5.0 million square feet was spared structural damage but requires repair. The attack directly impacted approximately 4,500 companies and not-for-profit institutions, of which approximately 3,800 employ less than 100 workers. In all, we estimate that 80,000 to 100,000 jobs have been dislocated or lost as a result of the attack. The economic loss, both inside and outside of the immediately affected area, has yet to be fully assessed.

The response plan described herein addresses the urgent needs of Lower Manhattan, New York City, and adjacent New York State counties. To meet the immediate survival needs of small businesses and not-for-profits, we will bridge SBA disaster financing by providing \$625 million in low-interest bank loans in New York City and other affected New York State counties, backed by a \$125 million guarantee fund. Small businesses suffering physical losses will receive \$60 million in direct assistance to cover uninsured losses. We will also provide direct assistance to all businesses displaced by the attack to enable them to stay in Lower Manhattan and New York City. Occupancy and relocation cost increases will be partially offset by this \$750 million in direct assistance. Funding in the amount of \$40 million will also be made available to ensure the continued viability of the City's tourism industry.

In the months to come, it is hoped that these immediate efforts will help to stabilize Lower Manhattan and its business community. However, additional measures will be needed to support the development of up to 25 million square feet of replacement commercial space. Legislation should be enacted to authorize a designated local entity to issue federally-guaranteed tax-exempt bonds to help finance the reconstruction effort. This entity will issue bonds for commercial development in the City, reducing construction costs, and thus, occupancy expenses of business tenants. The primary focus of the effort will be rebuilding Lower Manhattan.

Finally, because the full repercussions of the attack are impossible to know at this time, we will need to seek additional federal assistance in the future.

Building Structural Damage as of 9/22/01 7:00 PM



Disclaimer: The City of New York does not certify the correctness of any information provided on this map and is not liable for any actions taken or not taken by any persons.

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City of New York
Emergency Mapping Center
Rudolph W. Giuliani, Mayor

Immediate Initiatives Recovery Loan Program

Objective:

To enable financial institutions to make bridge loans to affected businesses awaiting SBA Disaster loan financing. The Program will rely on loan guarantees to provide backstop credit support for bank loans to businesses and not-for-profits that may not be eligible for SBA take-out. We request also that not-for-profits be granted eligibility for SBA Economic Injury loans. Initial funding for the Program will be provided by the City and State of New York, with Federal reimbursement of these amounts.

Program Description:

The Recovery Loan Program will establish a loan guarantee fund to enable participating institutions to provide bridge loans to businesses affected by the WTC attack. It is expected that banks will be able to approve bridge loans within 2 days of application. Term loans and lines of credit, ranging up to \$100,000, may be used for working capital, real estate, machinery and equipment, inventory and supplies. Most of these borrowers will eventually qualify for SBA Physical Disaster and Economic Injury loans. The immediate establishment of this Program will, however, allow banks to make bridge loans while loan applications are being reviewed by the SBA. The interest rates charged on these loans during the bridge period will approximate those offered by the SBA.

Eligibility:

New York City- and State-based commercial, industrial, retail enterprises and nonprofit corporations affected by the WTC disaster, and applying for Physical Disaster and Economic Injury loans from the SBA.

Cost:

The Program has been established for New York City businesses, with an initial guarantee fund of \$50 million (to be increased to \$75 million), funded equally by the City and the State of New York and to be reimbursed subsequently by the Federal government. With a 20% loan guarantee fund anticipated, banks will be able to lend up to \$375 million to affected businesses. The money will be recycled as the SBA "takes out" loans initiated under this Program, thereby increasing the total amount of credit available to affected companies. A similar guarantee structure will be created for businesses located in New York State, outside of the City, with a guarantee fund of \$50 million to support up to \$250 million in lending.

Immediate Initiatives

SBA Loans

Objective:

To support affected businesses by providing expanded eligibility and enhanced benefits for entities receiving SBA loans.

Outstanding Regulatory/Legislative Concerns:

- Expand borrower eligibility criteria for both Physical Disaster and Economic Injury loans to include all sectors affected by the attack, including, but not limited to, firms involved in investment services and not-for-profit entities. We estimate that there are 26 not-for-profits employing approximately 1,600 workers in the impacted area.
- Adjust small business definition for employment and revenue criteria to reflect business profiles in impacted area.
- Increase cap for loan amounts from \$1.5 million to \$10 million.
- Relax collateral requirements for service businesses and not-for-profit entities.
- Extend window for Physical Disaster and Economic Injury loan applications to one year.
- Increased underwriting flexibility, where possible, with regard to credit and other eligibility requirements.
- Provide for expedited review and disbursement of loan proceeds.

Immediate Initiatives

Uninsured Physical Damage Assistance for Small Businesses

Objective:

To support small businesses which have sustained uninsured physical damages.

Description:

The program will provide direct assistance for firms which have uninsured physical damages. Assistance will cover the first \$10,000 of uninsured losses and 10% of the amount thereafter, up to a maximum amount of \$100,000 per firm.

Eligibility:

Eligibility will be limited to businesses that have suffered physical damages.

Cost:

We estimate that up to 1,000 businesses will be eligible for this benefit and that the maximum cost of this program is \$60 million.

Immediate Initiatives**Relocation Assistance for Displaced Businesses****Objective:**

To ensure that displaced office tenants are not burdened by dramatically increased operating costs as a result of the attack and that they do not permanently relocate out of New York City, and to encourage the revitalization of Lower Manhattan.

Description:

This program will partially compensate displaced businesses, which we estimate employ 80,000 to 100,000 people, for increased operating costs due to higher rents, relocation expenses, and leasehold improvements to replacement office space. The program will provide benefits over three years, which represents the minimum period for construction of replacement office space. The amount of assistance in the first year will be up to \$5,000 per employee. The assistance will continue at a reduced level over the next two years, at \$2,500 per employee per year. The maximum amount provided to any single business under the program will be the lesser of \$10,000 per employee or the aggregate increase in occupancy and relocation costs. Should the full number of displaced jobs not be relocated within New York City, remaining funding will be offered to companies moving into lower Manhattan.

Eligibility:

To qualify, businesses must have been located within the approximately 25 million square feet of commercial office space that was destroyed or rendered uninhabitable by the attack, and must relocate within the five boroughs of New York City. Additionally, companies will be required to commit to remain in New York City for a minimum of seven (7) years. Uncommitted funding will be made available to businesses relocating to lower Manhattan from outside the area, until the full amount of funding is allocated.

Cost:

We estimate the cost to provide this assistance at \$750 million.

Immediate Initiatives

Tourism Industry Assistance

Objective:

To restore the New York City tourism industry.

Description:

This program will fund market research and special promotional activities to ensure the recovery and ongoing health of the City's tourism industry.

Cost:

We estimate the cost to provide this assistance at \$40 million.

Rebuilding and Reconstruction Initiatives Tax-Exempt Reconstruction Bonds

Objective:

To provide a financing mechanism that will accelerate the construction of commercial space to replace the approximately 25 million square feet lost in the terrorist attack. Legislation should be enacted by Congress to provide authorization to issue up to \$15 billion in tax-exempt bonds on behalf of private developers. The bonds would be used to finance the redevelopment, construction, and renovation of the approximately 25 million square feet of commercial space that was lost in the attack.

Program Description:

Federal assistance and legislation are required to support the construction of new commercial space in New York City. This will be accomplished by authorizing a designated local authority to issue triple-tax exempt bonds (interest payments will also be exempt from State and City income tax). The local authority, acting as a conduit issuer, will offer this low-cost construction financing to allow for efficient access to capital needed for the reconstruction effort. By reducing the cost of construction financing, building owners will be able to produce space with rents more nearly approximating pre-attack levels.

Eligibility:

The local authority would have the ability to issue debt for up to \$15 billion for the development of up to 25 million square feet of real estate. Eligible projects would meet the following criteria: minimum size of 100,000 square feet, pre-leasing of at least 40%, rents to be consistent with current market conditions, and favorable economic benefits to the City and State. Priority will be given to projects located in or around the area impacted by the terrorist attack.

Rebuilding and Reconstruction Initiatives Federal Guarantee of Reconstruction Bonds

Objective:

To further reduce interest costs on the tax-exempt debt issuance, ensuring the creation of replacement office space that offers reasonable occupancy costs.

Program Description:

A federal guarantee for the anticipated issuance of up to \$15 billion of triple tax-exempt bonds will further lower the cost of financing the redevelopment of the approximately 25 million square feet of destroyed and damaged office space. Federal legislation is required to provide the guarantee. The combination of a federal guarantee with tax-exempt debt could result in interest rates as low as 4%.

Eligibility:

The federal guarantee on the tax-exempt debt will only be available for office space redeveloped in Lower Manhattan.

